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ATTACHMENT

South Orange County Reliability Enhancement Project

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October 18, 2016

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SDG&E Service Territory South Orange County



South Orange County

- Home to approximately 300,000 residents and approximately 12,000 businesses
- Trip destination for millions annually (42 miles of beaches, amusement parks, resorts, festivals, shopping)
- Loss of power to this entire area creates a significant public safety impact

SOCRE Project Will Ensure Continued Reliable Electric Service in South Orange County

SOCRE adds a second connection to grid which addresses risk of widespread, sustained outage

- CAISO approved reliability project in 2010-11 Transmission Plan
- Current studies, using the most recent load forecasts, still show the project is needed
- Mitigates other contingencies associated with reliance on a single power source
- Allows substation maintenance without risk of dropping some or all SOC customers

Today, all regional load served through single source at Talega substation

- Failure at Talega could result in outages for 300,000 residents and 12,000 businesses
- Outages could last hours, days or weeks
- Public safety and regional economy depend on reliable electric service

SOCRE upgrades needed to continue to meet **mandatory** NERC/WECC/CAISO reliability standards

SDG&E's Transmission System Existing Versus SOCRE

South OC as it Exists Today



South OC with SOCRE Project



SOCRE is the Right Solution

Environmental impacts are minimal and primarily related to construction

- Uses existing structures/ROW and underground facilities (Garamendi Principles)
- Impacts identified are temporary air emissions (less than 1% of SCAQMD daily emissions) and demolition of an old structure that some parties claim is historic but has not been found to be eligible for National Register of Historic Places (NRHP)
- All alternatives have similar emissions impacts

Capistrano substation must be rebuilt no matter the alternative

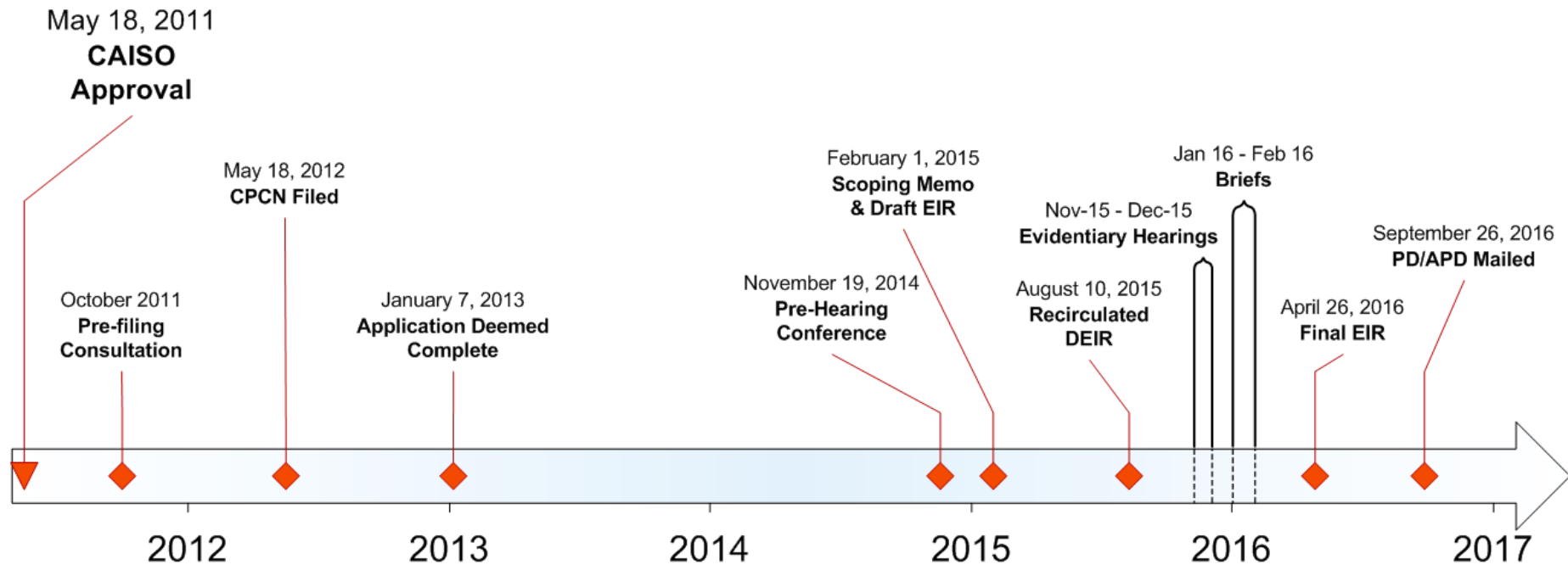
- 1950's era substation not designed to modern safety and reliability standards
- Project brings 230 kV supply into load center
 - Room for new 230 kV and rebuilt 138/12 kV substation on existing SDG&E property
 - Located adjacent to SOC load center; 230 kV supply avoids need to upgrade 138 kV lines to comply with NERC standards
- Environmental impacts and costs must be included in analysis of all alternatives

Trabuco Alternative

PD would adopt FEIR Alternative J – Trabuco substation expansion

- Requires a costly new interconnection between SDG&E and SCE
 - Would not meet project objectives
 - In order to meet mandatory NERC reliability standards, would reduce the ability to move up to 1000 MW of power to/from LA Basin, including renewables
 - CAISO and SCE opposed
 - When all related work included, costs substantially more than SOCRE
- Does not provide enough space to construct a safe and reliable substation
 - Insufficient land for substation, required water quality facilities, or equipment to interconnect with SCE
 - Surrounded by I-5 freeway, train tracks and AT&T facility
 - Requires taking property from another utility without suitable relocation options
- Capistrano Substation must still be rebuilt, resulting in construction at two substations, not one
- PD will add years of additional delay
 - Unclear what work is approved and what requires another application
 - In addition to initiating new studies, a new application adds years to an overdue project
 - Interim measures likely necessary while new project litigated

A Decision is Long-Overdue



Key Takeaways

- South Orange County is unnecessarily exposed to reliability risk, posing significant public safety issues for 300,000 residents and 12,000 businesses
- The Picker APD/proposed project meets NERC/WECC/CAISO reliability standards, uses existing sites and infrastructure or underground facilities, has been thoroughly studied and costs less than alternatives
- The PD/Alternative J does not meet reliability objectives, is not constructible, would transfer impacts from one community to another, has not been adequately studied and will likely cause negative impacts on the regional grid requiring substantial new infrastructure investments
- The proposed project is the preferred alternative as determined not only by SDG&E, but also the CAISO, SCE, AT&T and others
- The CPCN application process started well over 4 years ago
- It is critical that the CPUC eliminate the unnecessary public safety risks to residents and businesses of South Orange County and approve the Alternate Proposed Decision without further delay